

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA
DURHAM DIVISION

IN RE:

SCARBOROUGH & HARGETT FUNERAL
HOME, INC.

Debtor

Case No. 16-80220
Chapter 11

MOTION FOR AUTHORITY TO PAY EMPLOYEES
IN THE ORDINARY COURSE OF BUSINESS

Now comes Scarborough & Hargett Funeral Home, Inc. (hereinafter "Debtor"), by and through its undersigned counsel, and respectfully moves the Court for entry of an order authorizing it to fund its payroll currently scheduled for payment on March 25, 2015, and all payrolls thereafter in the ordinary course of business. In support thereof, the Debtor represents the following:

1. On March 11, 2015 (the "Petition Date"), the Debtor filed a voluntary petition seeking relief under Chapter 11 of the Bankruptcy Code and an Order for relief was entered. The Debtor continues in possession of its assets and operates its business as debtors-in possession.
2. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§157 and 1334, and this matter is a core proceeding under 28 U.S.C. § 157(b)(2). Venue is proper pursuant to 28 U.S.C. §§1408 and 1409.
3. As of the Petition Date, the Debtor employs approximately four (4) employees (the "Employees").
4. The Debtor maintains a monthly payroll for all of its current employees:
 - J. C. Scarborough, III, the President, seeks Court approval for employment by the Debtor and request compensation at the rate of \$2,800.00 every two weeks. As the president of the debtor, Mr. Scarborough aids tremendously in the management, as well as supervises and directs funerals.
 - Queen Scarborough, the Vice-President, seeks Court approval for employment by the Debtor and request compensation at the rate of \$2,800.00 every two weeks. As the vice-president of the debtor, Mrs. Scarborough aids tremendously in the management, as well as supervises its daily operations and supports Mr. Scarborough with his duties.
 - Tonya Bass, the bookkeeper, seeks Court approval for employment by the debtor and request compensation at the rate of \$500.00 every two weeks.

- Andrew Nicholson, the funeral attendee, seeks Court Approval for employment by the debtor and request compensation at the rate of \$600.00 every two weeks.

5. In order to ensure the integrity of the ongoing business operations, it is essential that the Debtor be authorized to pay its payroll obligation to its employees as such obligations come due in the ordinary course of its business. The next regularly schedule payroll is March 25, 2016. Should the Debtor fail to make its scheduled payroll, in amounts properly due, the Debtor would suffer a loss of employees which would adversely affect the Debtor's business operations and prospects for successful reorganization.

6. In light of the damaging effect of the failure of the Debtor to honor its payroll obligations to employees in full, the Debtor respectfully request that the Court enter an Order, ex parte, or after an expedited hearing, authorizing it to fund in full its payroll obligations due and payable on March 25, 2016 and said payroll obligations be paid in the normal course of the Debtor's business.

WHEREFORE, the Debtor respectfully request that the Court:

1. Enter an order approving and authorizing the Debtors to make its schedule March 25, 2016 payroll, and payrolls thereafter in full.
2. That said payroll be funded in the normal course of the Debtor's business through its normal payroll accounts.
3. For such other and further relief as the Court deems just and proper.

RESPECTFULLY submitted this the 15th day of March, 2016.

/s/ Florence A. Bowens

Florence A. Bowens, NC Bar No. 19540

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CERTIFICATE OF SERVICE

THIS IS TO CERTIFY that the undersigned has served a copy of the foregoing via the CM/ECF System as applicable or by depositing the same, enclosed in a postage paid wrapper, properly addressed to the following parties in interest, at their last known address as shown below, in a post officer or official depository under the exclusive care and custody of the United States Post Office, in the manner prescribed by law:

William P. Miller, Esq.
U.S. Bankruptcy Administrator
101 S. Edgeworth Street
Greensboro, NC 27401

Adams Products
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US Department of Justice
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Washington, DC 20530

Batesville Casket Co.
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Batesville, IN 47006

Internal Revenue Service
P.O. Box 21126
Philadelphia, PA 19114-0326

NC Department of Revenue
P.O. Box 2500
Raleigh, NC 27640

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This the 15th day of March, 2016.

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